

**THE ALABAMA PREPAID AFFORDABLE COLLEGE TUITION PROGRAM  
MEETING OF THE BOARD OF DIRECTORS  
November 10, 2016**

**MINUTES**

**Present:**

Treasurer Young Boozer, Chair  
Dr. Greg Fitch  
Mr. Marc Green for Dr. David Bronner  
Gen. Paul Hankins  
Mr. Robert Bradley  
Ms. Sarah Calhoun for Dr. Mark Heinrich  
Mr. Clinton Carter  
Ms. Maria Campbell  
Ms. Patti Lambert

**Absent:**

Mr. Jimmy Stubbs  
Rep. Bill Poole  
Mr. Sandy Hammer  
Sen. Trip Pittman  
Dr. John Stewart  
Mr. Mark Sullivan

**Others present include:**

Ms. Daria Story, Assistant Treasurer  
Ms. Glenda Allred, Deputy Treasurer  
Ms. Anita Kelley, Program Director  
Mr. Barry Bryant, Dahab  
Mr. Dan Sherman, Sherman Actuarial

Pursuant to written and public notice, the quarterly meeting of the Board of Directors of the PACT Program was held in the Board Room of the RSA Headquarters on November 10, 2016. The meeting was called to order by Chair Young Boozer at 1:00 p.m.

Roll was taken with a quorum present.

Chair Boozer introduced the new Finance Director and Board member, Clinton Carter.

Chair Boozer presented the minutes of the August 17, 2016 board meeting. A motion for approval of the minutes as presented was made by Gen. Hankins, seconded by Ms. Calhoun, with unanimous approval.

Chair Boozer asked Ms. Anita Kelley for a program report. Ms. Kelley provided information on program activities, cancellations, plan assets, and the budget for fiscal

years 2016 and 2017. She discussed summer and fall tuition payments and stated the program has paid out cumulative benefits in the amount of \$1,004,924,053 as of 9/30/2016. Ms. Kelley said a transfer from the Education Trust Fund was received on 09/01/2016 in the amount of \$8,488,000.00. She also stated that 518 accounts were marked as expired on 9/1/2016 and that 54 of the accounts had balances totaling \$171,373 which were sent to the Unclaimed Property Division. Ms. Kelley said the contract with Sherman Actuarial Services expires on 1/31/2017 and an RFP would be issued. The report was received as informational.

Chair Boozer called on Barry Bryant with Dahab Associates to present the quarterly investment report. Mr. Bryant provided commentary on the economy for the third quarter of 2016. He stated the portfolio had earned 1.5% for the fiscal year. Mr. Bryant also discussed asset allocation and quarter end balances. The report was received as informational.

Chair Boozer called on Dan Sherman with Sherman Actuarial Services to present the fiscal year end actuarial report. He stated the asset value as of 09/30/2016 was \$89,577,934. He discussed the funded status of the program and stated that it had a slight decrease from 115.8% in 2015 to 114.2% in 2016 due primarily to the 6% increase in benefit payments. He also reviewed a spreadsheet of the projected cash flow through year 2032 and discussed the end of year assets for fiscal year 2022 and 2023. The need for discount rate projections were mentioned, and that the staff will discuss with the program's auditors. The report was received as informational.

Chair Boozer presented proposed revisions made to the Investment Policy Statement. The changes were largely due to the diminishing portfolio and associated reporting. A motion to approve the revised Investment Policy Statement was made by Gen. Hankins, seconded by Mr. Carter, with unanimous approval.

Chair Boozer stated that Dr. Fitch would be leaving the Board due to his retirement. He recognized Dr. Fitch's service while he has been on the Board and thanked him for his contributions. A resolution to express Dr. Fitch's dedication to the Board and higher education was presented for approval. A motion to accept the resolution was made by Gen. Hankins, seconded by Ms. Calhoun, with unanimous approval.

Chair Boozer presented to Barry Bryant a declaration to recognize him as an Alabama Treasure due to his work and commitment to the PACT program.

Chair Boozer and the Board discussed the meeting time in which the PACT Board meeting is held and all agreed that the time should stay the same.

Chair Boozer stated that the PACT Board Diversity forms are due by November 30.

Chair Boozer noted the listing of the 2017 Board meeting dates.

There being no further business to be discussed, a motion for adjournment was made by Gen. Hankins, seconded by Mr. Bradley, with unanimous approval. The meeting adjourned at 1:41p.m.

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Anita Kelley, Recording Secretary

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Young Boozer, Chair